

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re U.S. Patent 6,353,038

Allan AHO et al.

Serial Number: 09/446,630

Issued: March 5, 2002

For: NOVEL PLASTIC BASED COMPOSITE AND ITS USE

**RENEWED PETITION FOR ACCEPTANCE OF UNAVOIDABLY DELAYED
MAINTENANCE FEE PAYMENT PURSUANT TO 37 C.F.R. § 1.378(e)**

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

November 13, 2012

Sir:

The patent owner, Vivoxid Oy ("Vivoxid") respectfully requests reconsideration of the Decision on Petition mailed September 10, 2012 ("Decision"), which dismissed the Petition for Acceptance of Unavoidably Delayed Maintenance Fee Payment Pursuant to 37 C.F.R. § 1.378(b) filed May 4, 2012 ("Petition").

Additional evidence of unavoidable delay in payment of the maintenance fee accompanies this Renewed Petition. Review of all the facts and circumstances set forth in the record demonstrates Vivoxid acted reasonably prudently to ensure timely payment of the second maintenance fee for U.S. Patent 6,353,038, and that the entire delay in payment was unavoidable.

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Brief Summary of Facts

This Summary is provided for the convenience of the Commissioner. The facts are set forth in exhaustive detail in the 4 declarations and 14 exhibits filed as part of the Petition, incorporated by reference herein in its entirety, and in the additional 5 declarations and new exhibit attached hereto. Briefly, Vivoxid Oy ("Vivoxid") was¹ a small research company located in Turku, Finland. In 2009, Vivoxid's global patent portfolio comprised more than 15 patent families, with some families having more than 20 pending applications and issued patents.

Vivoxid contracted with Patrafee Oy Ab ("Patrafee"), a commercial annuity payment company, to docket, monitor and pay maintenance and annuity fees for its patent portfolio. Vivoxid and Patrafee used patent family names as a shorthand to refer to specific patent families within Vivoxid's patent portfolio. Thus, U.S. Patent 6,353,038 ("the '038 patent") was part of Vivoxid's "Sulamuovi" patent family.

Patrafee correctly entered the maintenance fee payment dates for the '038 patent into its docketing system. The first maintenance fee for the '038 patent was timely paid August 12, 2005 by Patrafee on behalf of Vivoxid.

The '038 patent lapsed due to non-payment of its second maintenance fee due to (1) miscommunication between a Patrafee employee, Mr. Holmqvist, and a Vivoxid

¹Vivoxid now exists as a holding company, having recently sold substantially all its assets to Purac Biomaterials, a Netherlands corporation ("Purac").

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employee, Mr. Lucchesi, in combination with (2) Vivoxid's non-receipt of Patrafee's confirmation letter regarding abandonment of the '038 patent. Mr. Holmqvist used the wrong patent family name ("Lonkkaprotpinnoitus") with the '038 patent when reminding Mr. Lucchesi its second maintenance fee was coming due. Mr. Holmqvist should have used "Sulamuovi" to refer to the '038 patent. Mr. Lucchesi instructed Mr. Holmqvist to abandon the '038 patent, erroneously believing it was part of the "Lonkkaprotpinnoitus" patent family.

Patrafee followed its standard procedure when a maintenance fee was not to be paid, and mailed a confirmation letter to Vivoxid stating Patrafee had received instructions to abandon the '038 patent ("confirmation letter"). Similar letters were mailed to and received by Vivoxid's Finnish and U.S. intellectual property law counsel. However, Vivoxid either did not receive the confirmation letter or misplaced it. Having received no response from Vivoxid, Patrafee erroneously permitted the '038 patent to lapse March 5, 2010.

Vivoxid's Finnish and U.S. counsel assumed Vivoxid had intentionally abandoned the '038 patent in view of Patrafee's confirmation letter. Accordingly, the Maintenance Fee Reminder and the Notice of Patent Expiration were not forwarded to Vivoxid. Instead, Vivoxid discovered the '038 patent had expired for failure to pay the second maintenance fee on or about March 29, 2012.

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The Patent Office employs the “reasonably prudent person” standard when deciding whether to reinstate a patent which expired for failure to timely pay a maintenance fee. This standard applies to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business, In re Mattullath, 38 App. D. C. 497, 514-15 (D.C. Cir. 1912). Decisions on revival are made on a case-by-case basis, taking all the facts and circumstances into account, Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir.1982)

The Patent Office dismissed the Petition due to its erroneous belief that Vivoxid did not diligently monitor the '038 patent's maintenance fee payment after the company split into two successor companies: BonAlive Biomaterials, Ltd. and Vivoxid Oy (“the corporate split”). However, the evidence demonstrates Vivoxid exercised due care and diligently sought to ensure timely payment of the '038 patent's maintenance fees, both before and after the corporate split. Despite Vivoxid's continuing diligence, the second maintenance fee payment was unavoidably delayed due to an unforeseeable combination of circumstances, including miscommunication between Mr. Holmqvist and Mr. Lucchesi, Vivoxid's non-receipt of Patrafee's confirmation letter, and receipt of the confirmation letter by Vivoxid's Finnish and U.S. counsel. The Decision fails to address all the facts and circumstances surrounding the delay in

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payment of the '038 patent's maintenance fee. Moreover, the Decision contains clear error in the rationale used to dismiss the Petition.

**I. The Record Demonstrates Vivoxid Took Reasonable Care to
Ensure Timely Payment of Maintenance Fees for the '038 Patent**

The evidence demonstrates Vivoxid affirmatively took reasonable steps to ensure timely payment of all its maintenance fee payments, including the '038 patent's second maintenance fee before the corporate split.

**A. Vivoxid Was Reasonably Prudent In Hiring
Patrafee, A Commercial Annuity Payment Company**

Vivoxid is (and was in 2009) a small company which did not employ a maintenance fee specialist. Rather than attempting to handle maintenance and annuity fees itself, or to rely upon law firms in each country to handle such fees in that country, Vivoxid contracted with an established commercial annuity firm to provide a centralized service to docket, monitor and pay all its maintenance and annuity fees. This centralization of all foreign annuity fees and U.S. maintenance fees to a single annuity fee payment service reduced the amount of time Vivoxid had to spend to handle its maintenance fee payments to a minimum, while ensuring its maintenance fees would be timely paid.

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Patrafee has developed an expertise in monitoring and payment of annuities world-wide.² It has thousands of annuity payment customers, and deals with IP law firms, in-house corporate IP departments, and individual inventors.

Patrafee advertises that outsourcing patent annuity payments will “provide significantly greater security, as there will be virtually zero risk of missing a payment.”³ It has established procedures to ensure the correct dates for new annuity cases are docketed which include internal checks and client confirmation of a computer-generated report listing these dates.⁴ Patrafee also has established computerized procedures to send timely annuity reminders to clients, and will not remove an annuity case from its records unless written abandonment instructions are received from the client.⁵ Finally, Patrafee mails a confirmation letter to a client who has instructed Patrafee to abandon an annuity case to ensure there has been no mistake.⁶

The fact that Vivoxid entrusted its maintenance fees to a firm having expertise in maintenance fee payments is evidence that Vivoxid was diligent in affirmatively

²Declaration of Christina Sunnercrantz, Paragraph 2.

³Exhibit A. Other advantages include savings in time and cost, and a better overview of the client’s IP portfolio.

⁴Declaration of Christina Sunnercrantz, Paragraphs 5-8.

⁵Id., Paragraph 10.

⁶Id., Paragraph 13.

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seeking to ensure timely payment of its maintenance fees, specifically including the '038 patent's maintenance fees. Moreover, the fact that Vivoxid's contracted for Patrafee's automatic annuity payment system is further evidence Vivoxid exercised the due care and diligence observed by prudent and careful persons in relation to their most important business: timely payment of all its maintenance fees, including the '038 patent's maintenance fees.

Vivoxid *could* have chosen a default system in which annuities would not be paid in the absence of specific instructions.⁷ Instead, Vivoxid contracted for a more secure annuity payment system in which Patrafee would automatically pay all annuities - including maintenance fees - unless it received specific instructions from Vivoxid to abandon a specific patent or pending application.⁸ Otherwise known as Patrafee's "standing order service", it provides "maximum security" that Vivoxid's annuities - including the '038 patent's maintenance fees - will be paid.⁹

Having (1) hired a commercial annuity payment firm to docket, monitor and pay its maintenance fees and (2) affirmatively chosen its "maximum security" payment service, Vivoxid could reasonably rely upon Patrafee's expertise to ensure timely

⁷Id., Paragraph 11.

⁸Id., Paragraph 12.

⁹Exhibit A.

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payment of the '038 patent's maintenance fees.¹⁰ Indeed, there would be no reason to hire Patrafee unless one could rely upon the company to timely pay maintenance fees on behalf of its clients.

**B. Vivoxid Was Reasonably Prudent In Appointing Trustworthy
And Reliable Employees to Supervise Patrafee's Work**

The evidence demonstrates Vivoxid acted as a reasonably prudent person in selecting its employees who supervised Patrafee's service, and thereby ensure timely payment of its maintenance fees, including the '038 patent's maintenance fees, both before and after the corporate split:

1. Mr. Lucchesi

Vivoxid appointed a single, trusted employee to oversee Patrafee's timely payment of its annuities and maintenance fees. Mr. Lucchesi was responsible for supervising Patrafee at the time the '038 patent's second maintenance fee became due, before the corporate split.

The evidence demonstrates Mr. Lucchesi is intelligent and capable of communicating with Patrafee and instructing it with respect to pay or not to pay specific annuity and maintenance fees. He has an undergraduate degree in biotechnology engineering, and has pursued graduate studies in biosciences. See Mr.

¹⁰Declaration of Christina Sunnercrantz, Paragraph 4.

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Lucchesi's curriculum vitae attached to his declaration. Vivoxid considered Mr. Lucchesi reliable and capable of supervising Patrafee.¹¹

2. Dr. Jukka Tuominen

Dr. Jukka Tuominen assumed responsibility for Vivoxid's intellectual property matters - including U.S. maintenance fees - in December 2009, after Mr. Lucchesi's transfer to BonAlive Biomaterials, Ltd ("BonAlive")¹² as part of the corporate split. Dr. Tuominen recently assumed a position with Purac Biomaterials, the successor in interest to substantially all Vivoxid's assets.¹³

During the time period in question, Dr. Tuominen was Vivoxid's Technology Development Director, was part of Vivoxid's management team, and reported directly to Vivoxid's CEO.¹⁴ His senior position within Vivoxid is evidence he was a trusted, reliable employee.

The evidence also demonstrates Dr. Tuominen is sufficiently intelligent and capable of supervising Patrafee's annuity payment services by instructing it to pay or not to pay specific annuity and maintenance fees. Dr. Tuominen earned a doctorate

¹¹Declaration of Jukka Tuominen, Paragraph 9.

¹²Id., Paragraph 10.

¹³Second Declaration of Dr. Jukka Tuominen, Paragraph 3.

¹⁴Declaration of Dr. Jukka Tuominen, Paragraph 4.

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in Technology from the University of Helsinki, and has 18 years of experience as a research scientist in polymer technology and development. See Dr. Tuominen's curriculum vitae attached to his first declaration.

Additional evidence that Dr. Tuominen was capable of supervising Patrafee's maintenance fee services is the fact that he is the person who discovered the '038 patent's second maintenance had not been paid.¹⁵

**C. Patrafee Was Reasonably Prudent in Seeking to Ensure
Timely Payment of the '038 Patent's Maintenance Fees**

When a patent owner relies on a third party such as Patrafee to pay its maintenance fees, the PTO should shift its focus to determine *whether the third party* acted reasonably and prudently. See R.R. Donnelly & Sons, Inc. v. Dickinson, 123 F. Supp.2d 456, 57 USPQ2d 1244 (N.D. Ill. 2000), citing California Med. Prods., Inc. v. Tecnol Med. Prods., Inc., 921 F.Supp. 1219 (D. Del. 1995).

**1. Patrafee Accurately Docketed the '038 Patent's
Maintenance Fee Payment Dates**

The Petition includes a detailed description of Patrafee's standard procedures for docketing, monitoring and payment of the annuity and maintenance fees of its clients.¹⁶ These procedures were followed in the case of the '038 patent. Thus, the

¹⁵Id., Paragraph 20.

¹⁶See generally Declaration of Christina Sunnercrantz.

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correct maintenance fee payment dates, the correct patent number, and Vivoxid's correct docket reference ("Sulamuovi") were accurately entered into Patrafee's computer system.¹⁷

The Patent Office concedes the record reflects the delay in payment of the second maintenance fee was not a docketing or calendaring problem, and that there is no showing that the docketing/calendaring of maintenance fees for the '038 patent was improperly performed.¹⁸ Thus, the undisputed evidence demonstrates Vivoxid's reliance upon Patrafee to perform its maintenance fee docketing and calendaring duties correctly for the '038 patent was reasonable.

**2. Patrafee Was Reasonably Prudent
in Relying Upon Mr. Holmqvist**

Mr. Peter Holmqvist was the Patrafee employee responsible for handling Vivoxid's annuity fee payments, including the '038 patent's second maintenance fee.¹⁹ The Petition points out Mr. Holmqvist was not a temporary employee, or a newly-hired employee with little or no training in annuities or Patrafee's internal procedures.

¹⁷Id., Paragraph 9.

¹⁸Decision, page 9, last two paragraphs.

¹⁹Declaration of Peter Holmqvist, Paragraph 8.

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Instead, Mr. Holmqvist was a trusted, long-term Patrafee employee whose scope of employment included docketing, monitoring and payment of annuities.²⁰

Mr. Holmqvist had over 22 years experience handling U.S. maintenance fee payments by September 2009, when the '038 patent's maintenance fee became due. Despite his relevant expertise and experience, his work was supervised, with all database changes regarding docketing, payments, abandonments, etc. printed on a checklist and compared to the original documents by other competent employees in Patrafee's annuity department.²¹

Patrafee's reliance upon Mr. Holmqvist to send Vivoxid its annuity reminders, and to communicate with Vivoxid regarding payment or non-payment of annuity fees, including U.S. maintenance fees, for specific patents was reasonable based on his training and experience. No U.S. patent expired due to an erroneous non-payment of a maintenance fee by Mr. Holmqvist during his prior 9-year employment with Kolster Oy Ab, a Finnish intellectual property law firm.²² Moreover, he is unaware of any

²⁰Declaration of Christinia Sunnercrantz, Paragraph 18.

²¹Declaration of Peter Holmqvist, Paragraph 9.

²²Id., Paragraph 5.

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other U.S. patent which has expired due to erroneous non-payment of a maintenance fee as a result of his error during his employment by Patrafee.²³

3. Patrafee Followed Established Procedures to Ensure The Instructions to Abandon The '038 Patent Were Correct

The Petition points out Patrafee would not remove an annuity case from its computer system unless the client provided written instructions to Patrafee to abandon the case. Patrafee also mailed a confirmation letter to the client stating the case is to be abandoned, identifying the case by its patent or application number and also by the client's reference number.²⁴ The purpose of the confirmation letter is to ensure there has been no miscommunication or other mistake between Patrafee and the client, and that the client truly intends for the specific annuity case to be abandoned.

The evidence demonstrates Patrafee diligently followed its standard procedures to confirm Vivoxid actually intended to abandon a specific annuity case in the specific case of the '038 patent.²⁵ Thus, Patrafee mailed a confirmation letter to Vivoxid which correctly identified the '038 patent by patent number and its "Sulamuovi" patent family reference.²⁶

²³Id., Paragraph 24.

²⁴Declaration of Christina Sunnercrantz, Paragraph 13.

²⁵Id., Paragraph 25.

²⁶Exhibit 6.

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Of The '038 Patent's Maintenance**

The Decision argues Vivoxid was not diligent because its employees did not have formal training in maintenance fee payment procedures, management turnover imposed increased duties upon Mr. Lucchesi, and because an IP audit was not performed when responsibility for Vivoxid's maintenance fees was transferred from Mr. Lucchesi to Dr. Tuominen. None of these arguments support a non-diligence finding.

**A. Vivoxid Employees Did Not Require Formal
Training in Maintenance Fee Procedures**

The Decision notes Vivoxid had no employee whose duties were dedicated exclusively to its patent portfolio management, and that Mr. Lucchesi and Dr. Tuominen apparently did not receive formal training in annuity payment procedures.²⁷ First, it is clearly unreasonable to expect a small company of less than 30 employees to dedicate one of those employees exclusively to patent portfolio management. Second, the undersigned has not found a single decision which requires a patent owner to hire a maintenance fee specialist in-house before the patent owner is considered to have acted with reasonable care to ensure its maintenance fees would

²⁷Decision, page 5, lines 3-7. Petitioner stipulates Dr. Tuominen did not receive formal training in maintenance fee payment procedures. However, his lack of formal training is irrelevant to whether he and Mr. Lucchesi were capable of *supervising* Patrafee's maintenance fee payment services.

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be timely paid. Indeed, such an unreasonable rule would effectively put annuity payment companies such as Patrafee out of business because patent owners could not rely upon their expertise.

Vivoxid contracted for Patrafee's expertise in docketing, monitoring and payment of its maintenance and annuity fees. Accordingly, Vivoxid employees were not obligated to receive formal training in U.S. maintenance fee law and procedures. They were not required to learn the specifics of U.S. maintenance law, create or purchase a computerized docketing system, docket maintenance fees for each of its U.S. patents, and timely pay such fees themselves. Instead, all the Vivoxid employee was required to do was to *supervise* Patrafee (*i.e.*, provide correct information to Patrafee with respect to newly-issued U.S. patents, review reminders provided by Patrafee, and instruct Patrafee to either pay or not pay each such maintenance fee).

The Patent Office has failed to cite any evidence that either Mr. Lucchesi or Dr. Tuominen are untrustworthy, unreliable and/or failed to treat Vivoxid's patent portfolio with reasonable care to ensure their maintenance fees would be timely paid. Instead, the evidence demonstrates both Mr. Lucchesi and Dr. Tuominen were both trusted, reliable Vivoxid employees who were more than capable of supervising Patrafee. As previously noted, it was Dr. Tuominen who discovered the '038 patent had expired. Vivoxid exercised due care in appointing these employees to supervise Patrafee, its maintenance fee expert.

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Caused Him To Overlook Mr. Holmqvist's Mistake**

The Patent Office characterizes Mr. Lucchesi's testimony as describing "sudden and rather extreme changes" in Vivoxid's management team which imposed "enormous" new duties and responsibilities upon him.²⁸ The Patent Office then assumes the "burdens that Vivoxid placed upon Mr. Lucchesi with its management changes" was the reason for his failure to notice and correct Mr. Holmqvist's error.²⁹

In fact, Mr. Lucchesi expressly testified he does not know why he did not recognize and correct Mr. Holmqvist's error in Exhibit 3.³⁰ Nevertheless, he provided a *possible* explanation by noting he experienced a temporary but significant increase in his duties as a result of reorganization of Vivoxid's management.³¹

The Decision's assumption Mr. Lucchesi failed to notice Mr. Holmqvist's error because of his increased duties is unsupported by any evidence of such causation. An equally plausible reason why Mr. Lucchesi did not catch Mr. Holmqvist's error is because he focused on the erroneous patent family reference in Mr. Holmqvist's e-mail rather than the '038 patent number. The entire function and purpose of Vivoxid's

²⁸Decision, page 9, lines 12-14.

²⁹Id., at lines 15-19.

³⁰Declaration of Jimmy Lucchesi, Paragraph 17.

³¹Id.

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patent family reference was to be a shorthand for the patented invention. The patent family reference is designed to be easily recognizable and descriptive. In contrast, a patent number is not descriptive; it is simply a string of integers having no logical relationship to the subject matter of the patented invention.

**C. Vivoxid Diligently Managed The Transfer of IP
Responsibility From Mr. Lucchesi to Dr. Tuominen**

The Decision criticizes Vivoxid for not conducting an intellectual property audit when responsibility for management of Vivoxid's intellectual property was transferred from Mr. Lucchesi to Dr. Tuominen.³² The Patent Office then holds Vivoxid failed to attend to and/or otherwise monitor and properly manage the maintenance of the '038 patent.³³ However, the Decision is factually incorrect. Vivoxid did audit its Intellectual property portfolio.

1. Vivoxid Did Perform an IP Audit

Contrary to the Decision's assumption, Vivoxid did perform a detailed, patent family-by-patent family review ("audit") of its intellectual property portfolio shortly after the transfer of IP duties and authority from Mr. Lucchesi to Dr. Tuominen. A joint meeting between Vivoxid, BonAlive and their Finnish IP counsel ("Joint Meeting") was held January 19, 2010, approximately 1 month after Dr. Tuominen assumed

³²Decision, page 9, lines 22-24.

³³Id., at lines 27-29.

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responsibility for Vivoxid's IP. The personnel most familiar with Vivoxid's IP attended: Dr. Tuominen (Vivoxid's R&D director), Mr. Lucchesi (Vivoxid's immediate past employee who was responsible for managing Vivoxid's IP) and the three Turun practitioners who handled Vivoxid's IP: Mr. Roering, Ms. Suominen and Ms. Salonen.

The Joint Meeting participants discussed BonAlive's creation, the resulting changes to Vivoxid and how Vivoxid's intellectual property portfolio was to be divided between the two companies.³⁴ Vivoxid's patent and trademark portfolios were both reviewed, with each patent family being individually addressed. In short, the Joint Meeting was an audit - a detailed review - of Vivoxid's IP portfolio by the personnel most knowledgeable about the technology, pending patent applications and issued patents comprising the portfolio, with the audit being performed just after the corporate split.

The Joint Meeting participants agreed the Sulamuovi patent family should remain with Vivoxid, and that Vivoxid would decide whether "to continue to maintain" its Sulamuovi patent family.³⁵ Thus, at the time of the Joint Meeting, all its participants believed the Sulamuovi patent family - including the '038 patent - to be enforceable.

³⁴Declaration of Kim Roering, Paragraph 9. See generally Exhibit 12.

³⁵Id., Paragraph 13.

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Unfortunately, the Joint Meeting participants did not review or discuss individual members of the Sulamuovi patent family,³⁶ and thus did not uncover the nonpayment of the '038 patent's second maintenance fee. In this regard, the Joint Meeting was held after Turun received its copy of Patrafee's confirmation letter advising the '038 patent was to be abandoned in June, 2009. At that time, Exhibit 7 was scanned into Turun's individual file for the '038 patent, reviewed by Ms. Suominen, and the status of the '038 patent was changed to "abandoned".³⁷

Ms. Suominen did not review Turun's file for the '038 patent prior to or during the Joint Meeting;³⁸ neither did Mr. Roering.³⁹ The Joint Meeting was held January 19, 2010 - 7 months after Ms. Suominen reviewed Exhibit 7. It is entirely understandable she did not recall the '038 patent was abandoned during the Joint Meeting given the lengthy passage of time and the fact the '038 patent was not specifically discussed.

Regardless of the fact that the '038 patent's maintenance fee non-payment was not discovered during the Joint Meeting, the Joint Meeting is evidence Vivoxid

³⁶Id., Paragraph 14; Second Declaration of Dr. Jukka Tuominen, Paragraph 11; and Second Declaration of Jimmy Lucchesi, Paragraph 6.

³⁷Declaration of Kaisa Suominen, Paragraph 6.

³⁸Id., Paragraph 10.

³⁹Declaration of Kim Roering, Paragraphs 17 & 18.

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exercised the care and diligence generally used and observed by prudent and careful men in relation to their most important business, Mattullath, supra. It should also be noted Vivoxid met with Turun, its Finnish intellectual property law counsel, to discuss patent and trademark prosecution issues on a periodic basis both before and after BonAlive was carved from the company.⁴⁰ The fact these meetings took place is additional evidence Vivoxid actively interacted with and supervised its Finnish counsel, treating its intellectual property with the care and diligence observed by prudent and careful men, Mattullath, supra.

**2. A Search of Patrafee's Records Would Not
Have Revealed the Lapse of the '038 Patent**

The Decision's non-diligence conclusion is erroneously based on its assumption an IP audit would have flagged the non-payment of the '038 patent's second maintenance fee. First, the Joint Meeting proves the Decision's assumption is incorrect. Second, an IP audit specifically directed to maintenance fee payment dates would most likely not have revealed the non-payment of the '038 patent's maintenance fee. More specifically, a search of Patrafee's records around the time of the corporate split in December 2009 would not have listed the '038 patent. Patrafee

⁴⁰Declaration of Kim Roering, Paragraphs 3 and 20.

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deleted the '038 patent from its records in June, 2009. See Exhibit 8. Dr. Tuominen assumed responsibility for Vivoxid's intellectual property matters in December 2009.⁴¹

III. The Entire Delay in Payment of the Maintenance Fee Was Unavoidable

The evidence of record demonstrates the delay was caused by an unforeseeable combination of errors and events, and that Vivoxid was diligent in seeking to ensure timely payment of its maintenance fees.

**A. The Proper Focus on Unavoidable Delay Is On
The Actions of Vivoxid And Its Agent Patrafee**

In determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person, Ray v. Lehman, 55 F.3d 606, 34 USPQ2d 1786 (Fed. Cir. 1995). Accord, Burandt v. Dudas, 528 F.3d 1329, 87 USPQ2d 1134 (Fed. Cir. 2008)(Patent Office entitled to rely on legal title, and does not have to conduct an equitable analysis in order to determine who must pay the maintenance fee).

Vivoxid holds legal title to the '038 patent. Thus, it is Vivoxid's actions (and those of its agent Patrafee) which must be considered when evaluating whether the delay in payment of the '038 patent's maintenance fee was unavoidable. Unlike

⁴¹Second Declaration of Dr. Jukka Tuominen, Paragraph 8.

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Patrafee, Turun was not responsible for docketing, monitoring or payment of maintenance fees on Vivoxid's behalf. Thus, Ms. Suominen's entirely understandable failure to recall that Patrafee had informed Turun the '038 patent's maintenance fee was not being paid is *irrelevant* to whether Vivoxid and Patrafee acted with due care to ensure timely payment of the '038 patent's maintenance fee. See R.R. Donnelly, supra, at 461 (Patent owner's argument that it relied upon law firm properly disregarded as immaterial because there was no showing it had engaged law firm to track maintenance fees).

**B. The Combination Of Errors Which Caused
The Delay In Payment Was Unforeseeable**

A reasonably prudent person could not have foreseen the combination of human error and Vivoxid's non-receipt of Patrafee's confirmation letter which caused the delay in payment of the '038 patent's second maintenance fee. Vivoxid had no reason to suspect the '038 patent's maintenance fee was not timely paid, even as Dr. Tuominen continued to carefully attend to its IP portfolio by holding general patent meetings with Turun and closely supervising Patrafee Oy.

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MAINTENANCE FEE PAYMENT PURSUANT TO 37 C.F.R. § 1.378(e)**1. The Entire Delay in Payment That Originally
Resulted in Expiration Was Unavoidable**

The entire delay in payment of the second maintenance fee though March 5, 2010 was unavoidable.⁴² First, Vivoxid could not have foreseen or expected that (a) Mr. Holmqvist, a Patrafee employee expert in maintenance fee payments, would make a mistake, and (b) Mr. Lucchesi, its trusted employee, would not catch Mr. Holmqvist's error. Second, Vivoxid could not have reasonably foreseen Patrafee's confirmation letter would be lost or misplaced. Instead, Patrafee reasonably relied upon the Finnish mail service to deliver its confirmation letter to Vivoxid. Third, Vivoxid could not have reasonably foreseen that its U.S. counsel would not forward a Maintenance Fee Reminder concerning the '038 patent because he reasonably believed the non-payment was intentional in view of Patrafee's confirmation letter. This is the type of unexpected and unforeseen imperfection in trustworthy and reliable employees and mail agencies which is unavoidable, In re Mattullath, *supra*. Finally, Vivoxid had a reasonable belief that its Sulamuovi patent family was enforceable as a result of the Joint Meeting.

⁴²The '038 patent issued March 5, 2002. The second maintenance fee could have been paid during the period March 5 - September 5, 2009, and could have been paid with surcharge from September 6, 2009 to March 5, 2010.

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**2. The Entire Delay In Filing The Initial Petition For Acceptance
Of The Second Maintenance Fee Was Unavoidable**

The entire delay in filing an initial petition for acceptance of the second maintenance fee - from March 6, 2010 through May 4, 2010 - was unavoidable.

Vivoxid had no actual knowledge that the '038 patent had lapsed until March 29, 2012. Through no fault of its own, the Notice of Patent Expiration concerning the '038 patent was not forwarded to Vivoxid.⁴³ Moreover, Vivoxid had no reason to suspect the '038 patent had lapsed. As discussed above, it had contracted with Patrafee to automatically pay its annuity and maintenance fees according to Patrafee's standing order service. Vivoxid thus had a reasonable belief the '038 patent's maintenance fees would automatically be paid in the absence of its express instructions to abandon the '038 patent.

Vivoxid discovered the '038 patent had expired on or about March 29, 2012.⁴⁴ Vivoxid's Finnish counsel immediately made a preliminary investigation and informed the undersigned the '038 patent had expired the next day.⁴⁵ From March 30, 2012 to the filing of the Petition on May 4, 2012 the undersigned worked to prepare a

⁴³Declaration of Kaisa Suominen, Paragraphs 12 & 13.

⁴⁴Declaration of Dr. Jukka Tuominen, Paragraphs 19 & 20.

⁴⁵Declaration of James C. Lydon, Paragraph 16.

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grantable petition for acceptance of the second maintenance fee.⁴⁶ The time required to prepare the Petition could not have been shortened in view of the detailed factual showing comprising 13 exhibits and 4 declarations required to demonstrate unavoidable delay in payment of the second maintenance fee.

**3. The Entire Delay In Filing The Renewed Petition to
Reinstate the '038 Patent Was Unavoidable**

The entire delay in filing this Renewed Petition - from May 5, 2012 through November 13, 2010 - was unavoidable. The Decision was not mailed until September 10, 2012. The undersigned initially reviewed the Decision, discussed it with Mr. Gillon on September 12, 2012 and forwarded it to Mr. Roering the same day. Vivoxid, through Mr. Roering, instructed the undersigned to request reconsideration of the Decision on October 3, 2012.

From October 3, 2012 to the filing of this Renewed Petition the undersigned has worked to prepare a grantable petition for acceptance of the second maintenance fee. The time required to prepare this Renewed Petition could not have been shortened, particularly in view of the detailed factual rebuttal required by the arguments in the Decision and the development of the record relating to the Joint Meeting, including 5 new declarations and 1 new exhibit.

⁴⁶Id., Paragraph 17.

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IV. The Decision on Petition Is Wrongly Decided

The Decision dismissed the Petition based on at least three clearly erroneous grounds, discussed below:

**A. The Decision Commits Clear Error By Holding
Vivoxid Took No Steps to Ensure Timely Payment
Of The Maintenance Fee**

At the time the Decision was mailed, the record for this matter comprised 4 declarations and 14 exhibits. This evidence, discussed in detail above, clearly shows Vivoxid took the affirmative step of contracting with Patrafee, a commercial annuity payment service, to ensure timely payment of its annuity and maintenance fees. This evidence also demonstrates Vivoxid took the affirmative step of contracting for Patrafee's "standing order service" to provide maximum security that Vivoxid's annuities - including the '038 patent's maintenance fees - would be paid timely. Finally, the record shows Vivoxid took the affirmative step of appointing trustworthy and reliable employees to supervise Patrafee's maintenance fee payment services.

Despite this record, the Decision makes the following statement of fact:

In fact, the record indicates that no steps were taken by Patentee(s) and/or Assignee to ensure timely payment of the maintenance fee.

Page 11, lines 17-18 (emphasis added).

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The Decision's assertion of "fact" is clearly erroneous, and demonstrates the Patent Office failed to consider all the facts and circumstances surrounding the delay in payment of the maintenance fee.

B. The Decision Commits Clear Error By Holding "Plain Human Error" *Cannot* Be Unavoidable Delay

The Decision characterizes the error which caused the delay in payment of the '038 patent's maintenance fee as "plain human error, which is a delay that is not unavoidable but unintentional..."⁴⁷ Indeed, the Decision implies the *only* type of error which rises to the level of an unavoidable delay is a "systemic" error:

There is no showing that the docketing/calendaring of maintenance fees for the instant matter was improperly performed. Thus, there is no showing of a failure that was systemic - such as that which occurs when a computer or computer program fails.

Decision, page 9, last paragraph (emphasis added).

MPEP § 711.03(c) explicitly states "A delay resulting from an error...on the part of an employee in the performance of a clerical function may provide the basis for a showing of 'unavoidable delay'".⁴⁸ The Commissioner has accepted maintenance fee payments which were unavoidably delayed due to "plain human error" rather than

⁴⁷Decision, Page 10, lines 1-2.

⁴⁸MPEP § 711.03(c) at page 700-209 (Rev. 9, August 2012).

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“systemic” computer failures.⁴⁹ See, for example, California Med. Prods., Inc. v. Technol Med. Prods., Inc., 921 F.Supp. 1219 (D. Del. 1995)(patent docket clerk erroneously docketed maintenance fee payments based on reissue issue date rather than original patent issue date), and In re U.S. Patent 4,902,683 (2004)(patent docket clerk erroneously entered maintenance fee payment dates for patent granted pharmaceutical patent term extension).

In short, dismissal of the Petition because the delay in payment of the maintenance fee was caused by human error rather than a systemic computer error is clearly erroneous.

**C. The Decision Commits Clear Error By Ignoring
Vivoxid’s Lost Mail**

As discussed above, Vivoxid either did not receive Patrafee’s confirmation letter or misplaced it. The Decision briefly refers to the missing confirmation letter when discussing the record, pointing out Finland had a population of more than 5.3 million

⁴⁹In re U.S. Patent 5,103,188 (2007) is the only decision the undersigned located which involves a systemic computer error (Y2K issue in combination with a computer virus attack) rather than “plain human error”.

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people in 2009,⁵⁰ apparently to suggest that lost mail was a very rare occurrence in Finland during 2009.⁵¹

The Patent Office completely ignored the fact Patrafee's confirmation letter is missing from Vivoxid's files when deciding Vivoxid failed to diligently attend to the maintenance of the '038 patent.⁵² This failure to consider the missing confirmation letter is clear error because a revival petition is to be decided taking all the facts and circumstances into account, Smith, supra, specifically including missing mail, Mattullath, supra ("If unexpectedly, or through the unforeseen fault or imperfection [of trustworthy and reliable employees and the ordinary agencies of mail and telegraph], there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.")⁵³

⁵⁰Decision, page 8, lines 20-24.

⁵¹The obvious response to this suggestion is that the rarer the occurrence of lost mail, the more reasonable it was for Vivoxid and Patrafee to rely on the Finnish mail service.

⁵²Decision, page 9, lines 27-29.

⁵³The Patent Office has revived patents based on unavoidable delay even in the face of multiple cases of non-receipt of mail for the same patent. See, for example, the Declaration of Deborah A. Tucker in In re U.S. Patent 4,902,683 (2004), in which she testifies she does not recall receiving either a Maintenance Fee Reminder or a Notice of Patent Expiration for the '683 patent.

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Dismissal of the Petition without consideration of Patrafee's missing confirmation letter is clearly erroneous under Smith and Mattullath.

CONCLUSION

Consideration of all the facts and circumstances surrounding the delay in payment of the '038 patent's maintenance fee compels the conclusion the entire delay was unavoidable. Vivoxid diligently and carefully sought to ensure timely payment of the '038 patent's maintenance fees by hiring Patrafee and by appointing trustworthy and reliable employees to supervise Patrafee. Patrafee, in turn, correctly docketed the '038 patent's maintenance fee payment dates, and assigned a trusted, long term employee having expertise in annuity payments to handle the Vivoxid account.

Despite Vivoxid's careful supervision of Patrafee before and after the corporate split, the '038 patent lapsed due to an unlikely combination of circumstances. No one could have foreseen (1) Mr. Holmqvist would mistakenly associate the '038 patent with the wrong Vivoxid patent family, (2) Mr. Lucchesi would fail to catch the mistake and erroneously instruct Mr. Holmqvist to abandon the '038 patent, (3) Vivoxid's confirmation letter would be either lost by the Finnish mail service or misplaced by Vivoxid, and yet (4) be received by Finnish and U.S. counsel, who would assume in good faith Vivoxid intended to abandon the '038 patent. This is the sort of unexpected and unforeseen imperfection in trustworthy and reliable employees and mail agencies which is unavoidable, Mattullath, supra. The delay in payment was

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unavoidable because Vivoxid took reasonable care to ensure the maintenance fee would be timely paid.

ACTION REQUESTED

The Patent Office is requested to accept payment of the second maintenance fee for U.S. Patent 6,353,038, and to restore this patent to unexpired status.

The petition fee set forth in 37 C.F.R. § 1.17(f) is being paid today. The Commissioner is authorized to charge any additional fee required by this Renewed Petition to Deposit Account 50-1258.

Respectfully submitted,

/James C. Lydon/

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Enclosures:

Declaration of Peter Holmqvist
Declaration of Kim Roering
Declaration of Kaisa Suominen
Second Declaration of Jimmy Lucchesi
Second Declaration of Dr. Jukka Tuominen
Exhibit 12